

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2242 - SB 2428

March 15, 2016

SUMMARY OF BILL: Authorizes municipalities to annex non-contiguous territory pursuant to Tenn. Code Ann. § 6-51-104.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - To the extent a municipality annexes non-contiguous territory, the annexing municipality, the local government entity or entities from which territory was annexed, and any county in which the property is located may experience changes or shifts in revenue and expenditures from one entity to another from multiple funding sources including property tax and Basic Education Program funding. Such changes and shifts cannot be reasonably quantified due to multiple unknown factors. However, any changes or shifts would result exclusively from permissive actions of local government.

Assumptions:

- Pursuant to Tenn. Code Ann. § 6-51-104(d)(1), a municipality is authorized by resolution to propose the annexation of non-contiguous territory.
- Pursuant to Tenn. Code Ann. § 6-51-104(d)(5), only municipalities in Williamson County have the ability to annex non-contiguous territory under current law. Removing this provision effectively authorizes all municipalities to annex non-contiguous territory.
- Based on information provided by the Tennessee Advisory Commission on Intergovernmental Relations (TACIR), the exact fiscal effect of any municipality annexing non-contiguous territory cannot be specifically determined because of the numerous scenarios possible under the provisions of the bill.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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